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**FISCAL IMPACT STATEMENT**

**LS 6047**

**BILL NUMBER:** HB 1430

**NOTE PREPARED:** Apr 14, 2003

**BILL AMENDED:** Apr 9, 2003

**SUBJECT:** Various Election Law Matters.

**FIRST AUTHOR:** Rep. Mahern

**FIRST SPONSOR:** Sen. C. Lawson

**BILL STATUS:** As Passed - Senate

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill makes changes to election law relating to the following:

- (1) Voting systems.
- (2) The Election Division Budget.
- (3) Training election workers.
- (4) Form of ballots.
- (5) Precinct committeemen and state convention delegates.
- (6) Voter registration.
- (7) Party affiliation and certification of candidates.
- (8) Certification of election results.
- (9) Recounts and challenges.
- (10) Campaign finance reports.
- (11) Disabled voters.
- (12) Sample ballots.
- (13) Electioneering.
- (14) School board tax referenda.
- (15) Challengers.
- (16) Misrepresentation of the status of a candidate.
- (17) Administrative complaints under Title III of the Help America Vote Act of 2002.
- (18) Reimbursements and distributions for new or upgraded voting systems.
- (19) Illegal voter affidavits.

This bill also repeals superseded statutes relating to challengers and training election workers. (The

introduced version of this bill was prepared by the Census Data Advisory Committee.)

**Effective Date:** (Amended) Upon passage; July 1, 2003.

**Explanation of State Expenditures:** (4) *Summary:* Under the bill, the Election Division could see a reduction in ballot cost. If ballots for federal and statewide offices could be printed on one color of paper, the offices could be combined on one ballot.

*Background:* For the 2000 general election, the cost of paper ballots per 1,000 voters was about \$54.75, while the cost of changing ballots for direct recording electronic voting systems would likely be less. The cost of optical scan ballots were about \$300 per thousand.

**(6) *Mailing Requirements-*** Under current law, the Indiana Election Division, through a contractor, must mail a secondary postcard to voters that have duplicate registrations and are registered to vote in a county, when an initial postcard sent by the Division was not returned. Under the bill, the Election Division would be required to only mail a single postcard notification and not a second notification to this group of voters. Removal of a second mailing requirement would save state expenditures by an estimated \$15,000 to \$18,000.

***Statewide Voter Registration File-*** Under 42 U.S.C. 15483 (SEC 303 of HAVA) the SOS must implement the SVRF by January 1, 2006. The Statewide Voter Registration File (SVRF) was established by P.L. 199-2001 to accurately tabulate the voter registration in the state. P.L. 291-2001 appropriated \$5 M from the Build Indiana Fund (BIF) for the implementation of the Statewide Voter Registration File (SVRF.) However, the appropriation has not allocated to date due to BIF transfers to the state General Fund for deficit management.

The bill details what the SVRF must contain for each voter:

- A) Voter's voting history for ten previous years including primary party declaration
- B) Source of voter's registration application
- C) Listing of all previous jurisdictions in which the voter was registered to vote.
- D) Information concerning the documentation submitted by the voter to comply with the requirements of HAVA (42 U.S.C. 15301 through 15545.)
- E) Electronic mail address of voter (if supplied)
- F) Documentation of all changes to registration made by the voter

The SVRF must also include the following features:

- A) Absentee ballot management
- B) Full documentation imaging
- C) Election and poll-worker management
- D) Security
- E) Signature digitizing
- F) Street file management
- G) Voter registration management
- H) Help desk support staffed by individuals who can provide assistance to county voter registration offices regarding the proper operation of the system.
- I) Additional features as determined by the Election Division.

**(7) *Summary:*** The Indiana Election Division could require additional administrative time to receive and

process sworn statements for contests and petitions as described above for state offices. The Election Division would be required to notify the candidate for state office of a denied petition by certified mail.

*Background:* U.S. Postal Service rates for certified mail are \$2.30 plus \$0.37 for first class postage or, if sent by priority mail, \$3.85 per envelope. A return receipt is \$3.00.

(10) Under current law, the Election Division and county election boards must preserve campaign reports and statements. With certain exceptions, under law, these reports must be maintained for four years after December 1, following the election which the reports belong to, unless the report is being used in litigation.

Under the bill, the Election Division and county election boards could see a reduction in paper filings as they would only be required to keep duplicate reports for two years after the original report was filed.

(13) Under the bill, the criminal classification for violation of state electioneering laws would be reduced from a Class D felony to a Class A misdemeanor. Passage of the bill potentially reduces the costs to the state if an offender is convicted of a misdemeanor rather than a felony. Generally, offenders convicted of a misdemeanor who are given a prison term are incarcerated in county jails. A Class D felony is punishable by a prison term ranging between six months to three years or reduction to Class A misdemeanor. The average expenditure to house an adult offender was \$25,087 in FY 2001. Individual facility expenditures ranged from \$18,520 to \$54,465. (This does not include the cost of new construction.)

(17) Under this provision, the Secretary of State and the Election Commission would have increased administrative duties. The Commission would be required to make a determination within 90 days on a complaint concerning Title III funding from HAVA. If the Commission does not complete a determination within 90 days, the matter would be turned over to the Secretary of State (SOS). The SOS would then be allowed to file a civil action for either declaratory or injunctive relief to resolve the filed complaint. The SOS would be required to file a report with the Election Division on the terms of the resolution. The report must contain:

- A) whether a violation occurred or about to occur
- B) the appropriate remedy to correct violation
- C) whether remedy requires additional or amended legislation or a civil action
- D) any other information necessary to provide relief to the complaint.

(18) Under the provision, the SOS would accept the applications from counties for voting system replacement reimbursement. Under current law, the Budget Agency received applications until January 1, 2003. The deadline would be removed under this provision.

**Explanation of State Revenues:** (Revised) (10) Under current law, a corporation or labor organization may make a contribution to a political action committee if the contribution does not exceed any of the monetary limits prescribed and is designated for disbursement to a specific candidate or committee listed under law. The bill would make violations of this provision subject to a civil penalty. The penalty would include payment of all investigative costs made by the Election Commission and the greater of either \$1,000 or two times the amount of un-designated contributions. Civil penalties collected under this provision are distributed into the Campaign Finance Enforcement Account. County election boards may also conduct investigations and hearings as long as results are reported back to the Election Commission.

(16) If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class B misdemeanor is \$1,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

**Explanation of Local Expenditures:** (Revised) (3) County election boards would be required to have certain precinct election officers in attendance for training on voting equipment. Some counties currently allow a minimal per diem of approximately \$10 to \$15 to attend the training session. As counties with optical scan equipment are already required by state law to hold training sessions for inspectors and sheriffs, it is believed that the fiscal impact of this provision would be minimal. Absentee voter boards would be required to attend a training session before an election. Current law allows counties the option of providing training sessions for members of absentee voter boards.

(4) Under the bill, county election boards could also see a reduction in ballot cost, if local offices were combined and printed on the same color paper as state and federal offices.

(6) ***Mailing Requirements-*** Under the bill, the county election board could reduce expenditures as a result of no longer being required to produce in triplicate a memorandum for each voter's original affidavit of registration or transfer of an original registration executed by the board.

***Statewide Voter Registration File-*** As described under state expenditures, the SVRF would be required to allow county voter registration boards to administer absentee balloting or determine whether an individual who wishes to file as a candidate is a voter of the county.

(7) Under the bill, county voter registration and/or election boards could require additional administrative time to process and determine validity of certain petitions for local offices. See *Explanation of State Expenditures*.

(9) Under the bill, local judges would be required to issue notices of a petition for recount to a county election board and the Indiana Election Division (for judge and/or prosecutor only). For a petition filed for a contest of an election, the county sheriff would be required to serve a copy to the county election board and Election Division (for judge and/or prosecutor only).

Courts that appoint recount commissions would be required to issue an order that acknowledges a certificate showing the total number of votes received in the precincts by each candidate for nomination or election to the recounted office. Additionally, the order from the court must discharge the commission and release election materials impounded during the recount.

There would be additional expenditures required for paper, printing, and postage (if mailed) regarding the above notices and orders.

(10) See *Explanation of State Expenditures*.

(13) County sheriffs may experience slight administrative changes in the preparation of lists of incarcerated persons in a county correctional facility during the previous month. These lists are sent to circuit court clerks. Under current law, the county sheriff must provide a list of these individuals from the previous month four

times a year. Under the bill, the list must include the previous three-month period, instead of the previous month.

(14) By extending the deadline for a special election to be conducted, this provision may reduce expenditures if special elections regarding school board tax referenda are conducted at the same time as a general election. Based on a small sample of Indiana counties, precinct election expenses may range from \$600 to \$1,000, depending on the number of precinct/absentee board members serving, what the county pays precinct election board members, and facility rental (if necessary).

Under the bill, school corporations would be allowed the option to include additional referendum language. If added to the ballot the provision would have a minimal increase on the cost to print ballots (additional ink and paper.)

(16) A Class B misdemeanor is punishable by up to 180 days in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

(19) The provision would require additional administrative duties to county officials under the bill. The impact to local expenditures would vary and depend on the county.

**Explanation of Local Revenues:** (Revised) (10) See *Explanation of State Revenues*.

(16) If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

**State Agencies Affected:** Indiana Election Commission, Indiana Election Division; Secretary of State; Election Commission.

**Local Agencies Affected:** Counties, Local school boards, trial courts, local law enforcement agencies.

**Information Sources:** Brad King, Co-Director of the Indiana Election Division, (317) 232-3939; Various County Circuit Court Clerks/Election Boards; U.S. Postal Service, [www.usps.com/consumers/domestic.htm](http://www.usps.com/consumers/domestic.htm).

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